

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 223

January 19, 2021

SUMMARY OF BILL: Defines “micro market” and other terms associated with micro market. Requires that there is a tax levied on the sales price of goods obtained from any micro market. Exempts, from the sales and use tax, sales from micro markets on the premises of private or public schools. Authorizes a dealer who owns and operates micro markets in multiple locations to submit a single monthly sales tax return for all micro markets owned and operated by the dealer. Effective date of October 1, 2021.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Based on information previously provided by the Department of Revenue, it is assumed that micro markets are currently collecting sales and use taxes and that the proposed legislation will not establish any tax exemptions that are currently not afforded to such markets. Therefore, any impact on state and local sales tax collections will be not significant.
- Businesses, including micro markets, can currently submit a consolidated monthly sales tax return to the Department. Such return includes sales totals for each business location, broken out on individual lines of the return, which are used to determine appropriate allocations of local option sales tax revenue.
- It is assumed that the proposed legislation will not exempt micro markets from the requirement to report the sales of each location on the consolidated sales tax return. As a result, any impact on the distribution of local government sales tax revenue between various jurisdictions is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Bojan Savic, Interim Executive Director

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